

THE FOURTEENTH PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY

RECOMMENDATION 37/1999 *
ON “TRADE DEVELOPMENT IN THE BLACK SEA REGION”

1. The Parliamentary Assembly of the Black Sea Economic Cooperation:

- a. **stresses** once again the paramount importance it attaches to the promotion of trade between the Black Sea countries and between the BSEC region and the international market, as a leverage for sustainable development, stability and prosperity for the citizens of the Black Sea region.
- b. **recalls** the Recommendations 16/1996 on the “Development and Cooperation in the Field of Trade and Business Among the BSEC Member Countries”, 20/1997 on the “Improvement of Customs Regulations of the BSEC Participating States”, 22/1997 on the “BSEC Free Trade Area: Part of the New European Architecture” and 26/1998 on the “Plan of Action for the Establishment of the BSEC Free Trade Area”, as well as the DECLARATION OF THE PABSEC 5TH ANNIVERSARY expressing the Assembly’s commitment to support trade promotion and expansion in the BSEC region.
- c. **reiterates** its commitment to the MOSCOW DECLARATION OF HEADS OF STATES OR GOVERNMENTS OF THE BSEC PARTICIPATING COUNTRIES of 25 October 1996, the DECLARATION OF INTENT FOR THE ESTABLISHMENT OF THE BSEC FREE TRADE AREA of 7 February 1997 and to the YALTA SUMMIT DECLARATION of 5 June 1998 to gradually establish a BSEC Free Trade Area as a long-term objective and part of the European architecture.
- d. **emphasises** the need to promote, facilitate and create the preconditions for trade development by adopting the proper policies and measures that will liberalise and integrate the Members Countries’ economies to the world market economy, in accordance with their respective needs and level of development.

* Rapporteur: Mr. Theodoros KASSIMIS (Greece)

Assembly debate on 8 December 1999 (see Doc. GA 6492/99, Report of the Economic, Commercial, Technological and Environmental Affairs Committee on “TRADE DEVELOPMENT IN THE BLACK SEA REGION”, discussed in Chisinau on 21 September 1999; Rapporteur: Mr. Yuliy IOFFE , Ukraine).

Text adopted by the General Assembly in Kyiv on 8 December 1999

- e. **underlines** its adherence to the contractual commitments of its Member States to the agreements of the World Trade Organisation and of the European Union, and expresses its belief that in the foreseeable future all BSEC members will become WTO signatories states; at the same time the Assembly welcomes the adoption of the PLATFORM FOR COOPERATION BETWEEN THE BSEC AND THE EU, adopted by the 13th BSEC Council of the Ministers of Foreign Affairs on 30 April 1999 in Tbilisi.
- f. **states** that it will support in any possible means the implementation of the STABILITY PACT FOR SOUTH EASTERN EUROPE of 10 June 1999, that noted “the role of the Organisation of the Black Sea Economic Cooperation in promoting mutual understanding, improving the overall political climate and fostering economic development in the Black Sea region” and “its engagement to peace, security and stability through economic cooperation”.

2. The Parliamentary Assembly therefore calls on the National Parliaments and the Governments of the BSEC Participating States:

A. IN THE FIELD OF GENERAL ECONOMIC POLICY

- a. **to enact** and enforce legislation conducive to trade development between the BSEC countries, and between the Black Sea region and the European and world markets; to harmonise legislation pertaining to foreign trade and investment while favouring a stable, transparent and predictable economic environment in compliance with the multilateral trade principles, and especially the agreements of the World Trade Organisation and the European Union;
- b. **to improve** the regulatory framework and the functioning of institutions responsible for implementing trade-related regulations by (i) ensuring the coherence between trade policy and other economic policies, especially competition and sectoral policies; by (ii) employing more resources to improve the functioning of the customs services, and by (iii) reducing the gap between official policy and its actual implementation;
- c. **to pursue** trade liberalisation as an integral part of the transition process to a market economy and in view of establishing sound trade regimes; to gradually eliminate border trade obstacles and to reduce structural impediments to trade; to better articulate the benefits of trade liberalisation to the business community and to the public at large;
- d. **to adopt** a more timely disclosure of the legislative modifications affecting a country’s trade regime and by setting, as much as possible, a timetable for introducing the envisaged trade measures;
- e. **to create** favourable conditions for foreign trade activities by improving trade-related financial facilities and building a better infrastructure, including transportation and tele-communications;
- f. **to introduce** labour market changes that facilitate transferring of workforce from threatened import-competing activities to export-oriented sectors with a stronger growth potential;
- g. **to strictly** observe national, regional and international rules concerning environmental protection vis-à-vis production and distribution of manufactured goods and services;

- h. **to seek** the support and technical assistance of WTO, EU, and OECD and other international organisations in order to define trade-related areas for multilateral and/or bilateral technical assistance by the aforementioned institutions;

B. IN THE FIELD OF COMMERCIAL POLICY

- a. **to conclude** the process of accession, if not done so far, to the WTO and its relevant agreements; and to assist those BSEC countries who are in the process of accession by sharing available experience and information and consequently bring the national legislations in conformity with the WTO agreements of the regarding trade in goods, services and intellectual property rights.
- b. **to develop** an appropriate tariff structure by avoiding peaks and excessive dispersion of tariff rates and frequent product-specific adjustments and tariff exemptions; to remove different non-tariff measures, such as quotas and complex licensing regulations and to avoid the temporary recourse to non-tariff measures;
- c. **to reduce** the number of export bans or quotas and replace them progressively by price-based measures, i.e. export taxes, which should be adjusted in line with the decreasing differential between domestic and world prices;
- d. **to limit** the scope of state intervention, in particular by abolishing the system of state orders, the registration of strategic exporters/importers and the extensive recourse to barter transactions; to eliminate, where they still exist, multiple exchange rates and resulting implicit taxation on exporters through surrender requirements of foreign exchange earnings;
- e. **to develop** the necessary instruments supporting trade expansion, such as export financing, especially in relation to small and medium enterprises; to simplify customs clearance procedures, formalities and customs documentation; to improve certification procedures; and to establish clear rules of origin.

C. IN THE FIELD OF BSEC COMMERCIAL COOPERATION

- a. **to create** the legal framework for the gradual establishment of the BSEC Free Trade Area duly observing the obligations resulting from EU and WTO and other international arrangements; in this context to provide full support to the elaboration and implementation of the BSEC Plan of Action for the Establishment of the BSEC Free Trade Area to be adopted by the Meeting of the Ministers of Foreign Affairs;
- b. **to step up** economic cooperation among the BSEC Participating States by conclusion of new bilateral and multilateral agreements; to create an inventory of the existing contractual bilateral and multilateral commercial relations of the Member States within the BSEC, and between individual BSEC States, the European Union, other countries and the WTO;
- c. **to review** foreign trade legislations of the Member States related to manufactured products and services with a view to identifying the existing tariff and non-tariff obstacles and recommend thereupon measures to progressively overcome them;
- d. **to develop** regional cooperation on a basis that fosters market-based trade and investment within the region, while avoiding policies discriminating against third countries; on this context to take appropriate measures on prohibiting any kind of economic discrimination among the BSEC Participating States;

- e. **to examine** the possibility of establishing new free-trade zones in the BSEC member countries and euroregions between several BSEC member countries, which could play a positive role in the establishment of the BSEC free trade area; to harmonise certification procedures in order to facilitate mutual recognition of certificates of conformity and in the longer term harmonisation of standards;
- f. **to harmonise** border crossing procedures and facilitate movement of business people as well as goods, including transit movements;
- g. **to establish** close cooperation among the institutes of statistics of the Member States and promote active and durable cooperation with the BSEC Coordination Centre for the Exchange of Statistical Data and Economic Information, including developing statistics on a harmonised basis;
- h. **to fully involve** the Black Sea Trade and Development Bank, the BSEC Business Council, the BSEC Centre for Small and Medium Enterprises, and the private sector of the member countries in trade promotion efforts and the process leading to the BSEC free trade area;
- i. **to contribute** to the implementation of the objectives of the PLATFORM FOR COOPERATION BETWEEN THE BSEC AND THE EU and of the STABILITY PACT FOR SOUTH EASTERN EUROPE, giving particular emphasis on the “Working Table on economic reconstruction, development and cooperation”, that includes among its responsibilities the promotion of free trade areas, border-crossing transport, and promotion of private sector business;

3. The Parliamentary Assembly invites the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.